



CALPEEK

CALIFORNIA POLITICAL WEEK

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This is **Calpeek's** 44th issue of the 2002 – meaning it's our last newsletter of the year. We'll be on vacation for the next 3 weeks, but will return to work right after X-Mas. Our first newsletter of the year will be dated Jan. 6, 2003. Here's wishing all **Calpeek** readers a joyous holiday season and best wishes for 2003...



CALIF. BUDGET WARS: CUTS IN PROGRAMS A GIVEN, BUT WILL GOP ALLOW NEW TAXES TO FIX DEFICIT?

Editor's note: It's not just Calif. which faces a huge budget shortfall for 2003. Governors in the 49 other states are faced with the same problems. According to Time Magazine (Dec. 1st edition), the "main source of the States' budget distress is plunging tax revenue stemming from the economic and stock market downturns." The combined deficits among all states is **\$68 billion**. Calif.'s red ink is **\$21 billion** and growing. Here's our update & analysis...

...The Calif. Legislature begins a special secession Dec. 9th to deal with the State's red ink. The \$21 billion deficit is divided into two parts: \$5 billion in red ink for the current 2002-03 budget and \$16 billion (perhaps even larger) for the 2003-04 fiscal year. Gov. Gray Davis(D) has ordered a hiring freeze, cut 12,600 jobs and has hinted that his budget reduction plan includes \$1.9 billion in school funding cuts...

...Cutting popular programs is going to be tough and while Demos say it's absolutely necessary to have a combination of both cuts and new revenue, at this point the GOP is sticking with its **NO NEW TAXES** pledge. With all the GOPers gone from the legislature who in the past crossed party lines to provide the necessary 2/3rds vote to pass a budget, the Demos may have to look toward other ways of dealing with the deficit...

...The other way of dealing with the deficit is to go to the ballot box. Lenny Goldberg of the CA Tax Reform Assn.

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told **Calpeek**, "It's easier to get a 50% vote from the people than a 2/3rds vote from the Legislature." Goldberg suggests Gov. Davis should call a special election in 2003...

...What would go on the ballot? 1) Revise **Prop. 13** to allow non-residential property to be assessed at market value, while retaining the 1% rate. This would raise about \$3-4 billion per year. 2) Raise personal income tax on the wealthiest Calif. taxpayers. This would raise about \$2-3 billion annually. The feeling here is that the wealthy are already getting a break at the national level, thanks to Pres. George W. Bush's tax cut plan. 3) Revise **Prop. 98** (school funding formula) so that it's really a floor(intent) and not a ceiling which goes higher and higher without any end in sight. And 4) Extend the \$450 million business investment tax credit (due to expire in 2004). This tax credit was good only if the business community created 100,000 new jobs in Calif. That goal has not been met. This carrot might help persuade businesses to assist politically with some of the other revenue producing proposals...

...FYI: Look for the popular VLF (car tax) refunds to be rolled back, saving the State \$1-2 billion annually. Sources say it doesn't require a 2/3rds vote. Stay tuned...

CALPEEK's 2002 REVIEW: WHO'S HOT, WHO'S NOT.

Editor's note: We'll end 2002 the way we end each year, with one of your favorite columns – **Who's Hot & Who's Not**. There's nothing objective about this column. Now sit back and enjoy – or scream and weep...

● **A Star Who Lost His Twinkle** – Gov. Gray Davis(D) won reelection, but his poor standing with voters has taken the glow off this Demo star...

● **Lots of Twinkle Twinkle** – New Demo U.S. House Leader Nancy Pelosi of San Francisco, the first woman to hold the post, is now a Super Star...

● **Always A Star** – U.S. Sen. Dianne Feinstein(D)...

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● *On the "A" List* – U.S. Sen. Barbara Boxer(D); U.S. Rep. David Dreier(R-Covina); and L.A. Mayor Jim Hahn...

● *When Demo Stars Collide* – AG Bill Lockyer, LG Cruz Bustamante & Treasurer Phil Angelides – all looking at 2006...

● *Homeland Security Star* – U.S. Rep. Jane Harman (D-Redondo Beach), ranking Demo member of the Homeland Security subcommittee...

● *Not Ready for Prime Time* – S.F. Co. Sup. Tom Ammiano, who wants to replace Willie Brown as mayor of S.F....

● *Fading Stars* – S.F. Mayor Willie Brown; Senate Pres. John Burton(D-S.F.); and GOP Senate Leader Jim Brulte...

● *Keep Your Eyes On* – S.F. Co. Sup. Gavin Newsom; new San Diego DA Bonnie Dumanis; new BOE member Carole Migden(D); new SOS Kevin Shelley(D); U.S. Rep. Duncan Hunter(R-San Diego); and Oakland City Atty. John Russo, new head of the League of Calif. Cities...

● *Best Bet for Future Stardom* – Orange Co. State Sen. Joe Dunn(D), who is the chair of the committee investigating abuses by power generators during Calif.'s energy crisis...

● *A Faded Star Who Won New Life* – Newly elected Insurance Commissioner John Garamendi(D) gets his old job back. Now he's got to deliver to stay a star...

● *A Faded Star Looking for New Life* – Former CA Assembly Speaker Antonio Villaraigosa, who is challenging L.A. Councilman Nick Pacheco in L.A.'s 14th District...

● *Looking for Political Stardom* – Former L.A. Police Chief Bernie Parks, leading contender for L.A.'s 8th Council District in L.A.'s soon-to-be March muni election...

● *Wants to be a Star* – New CA Controller Steve Westly; GOP Assembly Leader Dave Cox; U.S. Rep. Doug Ose (R-Sacramento); and State Sen. Liz Figueroa(D-Fremont)...

● *Waiting In the Wings for Stardom* – State Sen. Sheila Kuehl(D-Santa Monica), who wants to replace Burton as Senate Demo Leader; and L.A. City Atty. Rocky Delgadillo, who might be looking at AG in 2006...

● *Rich Guys Who Didn't Make It* – Bill Simon Jr. and Prop. 52 sponsor Rob McKay...

● *New Spinning Star* – Demo Roger Salazar from the Davis' reelection committee...

● *Old Spinning Stars* – Demos Garry South & Bob Mulholland and GOPer Sean Walsh...

● *Hogwarts Gold Cup* – Is State Sen. Tom McClintock (R-Camarillo) the *Draco Malfoy* of the CA Legislature??? Stay tuned...

CAMPAIGN 2002: MORE POST-ELECTION ANALYSIS.

Editor's note: All the results are now in, even the close Nov. 5th contests in the 12th SD and the 30th AD. Here's our update & analysis...

☒ *Voter Turnout* – All the left over absentee and provisional ballot have now been counted (as of 12/3) and sent to the Secretary of State's office. The unofficial voter turnout will be 50.42%. In raw votes, it's 7,716,651. If you happen to save your old *Calpeeks*, go back to the Nov. 4th Election Preview issue. Under voter turnout, 2nd to the last sentence: "Some sources think the turnout will be just over 50%."...

☒ *12th SD* – GOP businessman Jeff Denham upset former Assemblyman Rusty Areias(D) by some 1,300 votes. Our last update on Nov. 25th had Denham up by 1,825. So Areias closed the gap, but not enough to win. The Denham win is remarkable because Demos spent about \$5 million on Areias vs. the GOP's \$3 million for Denham...

...The 12th SD was originally drawn for Dennis Cardoza(D-Modesto) and Cardoza's old 26th AD was redrawn so that Chad Condit (former U.S. Rep. Gary Condit's son) could win it. But once the Chandra Levy disappearance (now an unsolved murder case) mashed ex-Congressman Condit, the whole Demo "ball game" began to unravel. Why Areias vs. some other Demo? The Demo assumption was that the 12th SD GOP primary would be won by former Assemblyman Peter Frusetta. On paper and in polling, Areias matched up very well against Frusetta – even with his negative baggage. In retrospect, the best Demo candidate for the 12th SD might have been former Assemblyman Sal Cannella. Some others thought that perhaps Merced Co. Deputy DA Larry Morse would have been a better candidate than Areias...

...FYI: If there was one killer issue which really damaged Areias, it was the allegations that while in the Assembly he didn't take strong action to stop sexual harassment against a

female staffer by his then chief of staff. Denham really hammered Areias on this and most sources think this is what did Areias in...

☒ **30th AD** – In what turned out to be the closest legislative race in the cycle, Nicole Parra(D-Bakersfield) finally won this battle with GOPer Dean Gardner. Gardner conceded defeat Nov. 29th, having lost by 265 votes out of more than 50,000 cast. This is a contest the GOP could have won had they not pulled the plug on Gardner, because Parra is way too liberal for this AD. *Calpeek* sources think it's even possible that new State Sen. Dean Florez(D) will recruit a moderate Demo to challenge Parra in the 2004 primary. In case you'd forgotten, Parra's father (Kern Co. Sup. Pete Parra) and Florez are political enemies...

...With this race now history, Assembly Demos really need to be careful in 2003. Parra and Assemblywoman Barbara Mathews(17th AD) are on "probation." In addition to those two, Wiggins(7th AD), Reyes(31st AD), Jackson(35th AD), Nakano(53rd AD), Lowenthal(54th AD) and Correa(69th AD) are all *termed out*. If the GOP were to nominate moderate candidates in these ADs, the Demos might have a tough time holding on. Stay tuned...

How About Giving Calpeek for an X-Mas Gift??

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CAMPAIGN 2002: S.F. RUNOFF ELECTION DEC. 10TH

Editor's note: San Francisco voters in the 4th and 8th districts go to the polls again on Dec. 10th to elect two new members to the County Board of Supervisors. Here's our brief update & analysis...

◆ **4th District** – Most *Calpeek* sources are confident that Fiona Ma has an excellent shot at defeating activist Ron Dudum. Ma, who is an aide to Sen. John Burton, got 23.5% in the primary to finish first. Ma has just won backing from new Assemblyman Leland Yee and already had the support of Supes Ammiano, Daly, Maxwell and McGoldrick...

◆ **8th District** – There's a real dog fight taking place for this open seat which was held until recently by Mark Leno, now in the CA Assembly. Liberal activist Eileen Hansen is considered the *frontrunner* against Bevan Dufty, who worked for Mayor Willie Brown as director of Neighborhood Services. Hansen has run for the board twice before and almost defeated Leno two years ago. In the primary

Hansen got 36.27% vs. 32.48% for Dufty. The two are evenly matched in funds, except that Hansen may have an edge with independent expenditures. Consultant Eric Jaye is doing an IE for Dufty (cops & firefighters). Barns, Mosher, Whitehurst, Lauter & Partners are also doing an IE for Dufty, focusing on absentee ballots and GOTV...

...By all accounts, Dufty did a good job as neighborhood services director, but that isn't stopping Hansen and her allies for bashing Dufty as a *Willie Brown lap dog*. That is Hansen's key battle cry. Hansen's weak spot: she was opposed to Prop. N (*Care Not Cash* initiative by Sup. Gavin Newsom). Prop. N won very big citywide on Nov. 5th and in the 8th District, Prop. N passed with **60%**. Now Newsom, along with Leno and new Assemblyman Leland Yee, have lined up for Dufty. Most of the other supes are supporting Hansen...

...Labor is split down the middle: Police & Firefighters, along with Building Trades unions are with Dufty vs. SEIU 250 & 790 with Hansen. SEIU is going all out for Hansen, figuring that she could be the 8th vote to override a veto IF Newsom is elected mayor in 2003 and right now he is certainly considered the frontrunner to replace Brown...

...The two major gay/lesbian Demo clubs are also split: Harvey Milk is with Hansen vs. Alice B. Toklas with Dufty. FYI: turnout in the 8th District could be about 27%. That translates to about 15,000 voters. Stay tuned...

SOME INFO YOU NEED TO KNOW ABOUT CALPEEK

Here is some helpful information about **Calpeek** that you may need to know. Deadlines for news and Marketplace Network: 12 noon each Wednesday. **Calpeek** is printed and mailed each Thursday. Our fax is (310)657-4340; e-mail calpeek@aol.com. **Calpeek** does NOT make refunds on cancellations...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Dec. 10	S.F. muni runoff election.
Jan. 15-18	AAPC annual conference, Wash. DC
Jan. 15	Regional Council of Rural Counties annual dinner, Sheraton Grand Hotel, Sacramento.
Feb. 20	DNC meeting – Hyatt on the Hill, Wash. DC
Feb. 21-23	CA Republican Party state convention, Hyatt Hotel, Sacramento.
Mar. 4	L.A. muni election.
Mar. 14-16	CA Democratic Party state convention, Sacramento.
May 20	L.A. muni runoff election.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ ***And the Next Assembly Speakers Is?*** – Assembly Speaker Herb Wesson(D-L.A.) was just reelected by his colleagues Dec. 2nd and already there's speculation on which Demos want to replace him next year when he steps down. On the list: Jenny Oropeza from Carson; Dario Frommer from Glendale; and Joe Nation from San Rafael...

...FYI: while John Burton remains as Senate President, the new State Senate Demo Majority Leader is Oakland's Don Perata, who replaces former State Sen. Richard Polanco...

■ ***Campaign 2006*** – The LG, AG and Treasurer's post will all be OPEN in 2006 – thanks to *term limits*. Already starting to line up support for the Demo Lt. Governor's nomination are State Senators Liz Figueroa of Fremont and Jackie Speier of San Mateo. Given the new campaign contribution rules, it's never too early to begin lining up support, both financial as well as organizational...

■ ***CRP Elections*** – The annual Calif. Republican Party (CRP) convention in Sacto on Feb. 21-23 will be something to watch. CRP State Chair Shawn Steel is seeking reelection but he'll have solid opposition from Northern Calif. Lincoln Club leader Duf Sundheim and from CRP Vice Chair Bill Back. The Calif. Congress of Republicans has endorsed Sundheim for chair and Lois Godfrey for vice chair...

...Who said, "*Never trust anyone who flies to work every-day in a jet.*"? Answer: CRP chair Shawn Steel. Target of Steel's one-liner: CRP Operations Cmt. member Gerry Parsky. Yes indeed folks, the feuding goes on non-stop...

■ ***Growth Vs. No-Growth*** – In this last election cycle there were at least 12 development related ballot measures in various parts of Calif. According to *Calpeek* sources, the pro-growth forces won 9 of the 12: Berkeley, Windsor, Tiburon, Santa Rosa, Watsonville, Nevada Co., San Diego, Ojai and Simi Valley. The anti-growth side won in Pacifica, Pleasanton and Ventura Co. FYI: S.F. based Solem & Associates defeated Measure I in Tiburon – 52% vs. 48%...

■ ***NFL's San Diego Chargers to L.A.?*** – If you believe *L.A. Times* sports columnist T. J. Simers (and we do), then it's almost a done deal that the NFL's San Diego *Chargers* will be headed to L.A. in the very near future (2-3 years). The *Chargers* are now in a 60-day period where they can

exercise an escape clause in their Qualcomm Stadium lease. But if the team owners, Alex & Dean Spanos, do exercise the escape clause, where do they plan to play? Sources say the Spanos' know *public funding of a new sports facility* (football stadium in downtown L.A.) won't fly right now or ever. The city is so strapped for funds that it will have to borrow \$150 million just to rebuild its LAPD HQ...

■ ***Calpeek's X-Mas Reading List – Master of the Senate*** (all about LBJ) by Robert Caro; *From Beirut to Jerusalem* by NYT columnist Thomas Friedman (must reading about the Middle East); *Bush At War*, new non-fiction by the Washington Post's Bob Woodward. Non-fiction reading: *Red Rabbit* by Tom Clancy; *The Cold Six Thousand* by James Elroy (this book takes off where *American Tabloid* ended); and *A Darkness More Than Night OR Chasing the Dime* – both by Michael Connelly...

■ ***Funny Line*** – A little boy asks his father, "Dad how come all fairy tales start with *Once upon a time?*" The father thinks for a second and says, "Son, they don't. Some begin *If elected I promise.*"...

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CALPEEK's NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● A sad note: former State Sen. Bill Greene(D-L.A.) died Dec. 2nd after long battles with various cardio-vascular illnesses and pneumonia. He was 72 and served in both the Assembly and State Senate for 25 years. He retired in 1992. R.I.P...

● Former Assembly Speaker Bob Hertzberg has joined the L.A. law office of Mayer, Brown, Rowe & Maw as a partner. His phone is (213)229-5159...

● Former U.S. Sec. of State George Schultz will be awarded the *The Victory of Freedom Award* at a black tie dinner Jan. 9th at the Richard Nixon Library in Yorba Linda, CA. For info Kathy O'Connor (714)993-5075...

